

CANNON BUILDING 861 SILVER LAKE BLVD., SUITE 203 DOVER, DELAWARE 19904-2467

STATE OF DELAWARE **DEPARTMENT OF STATE**

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DIVISION OF PROFESSIONAL REGULATION

PUBLIC MEETING NOTICE: BOARD OF HOME INSPECTORS

DATE AND TIME: Monday, August 13, 2012 at 9:30 a.m.

PLACE: 861 Silver Lake Boulevard, Dover, DE

Cannon Building, Second-Floor Conference Room A

APPROVED: October 2, 2012

MEMBERS PRESENT

Donald S. Pyle, Sr., Professional Member Daniel C. Eichelberger, Professional Member Joyce Edwards, Public Member Dennis Theoharis, Public Member

MEMBERS ABSENT

None

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Eileen Heeney, Deputy Attorney General
Daniel Stevenson, Deputy Attorney General
Michele Howard, Administrative Specialist II
Sheryl Paquette, Administrative Specialist III (training)
Joe Riff, Administrative Specialist II (training)
Dr. Pamela Zickafoose, Executive Director, DPR Service Team A

PUBLIC PRESENT

Timothy Harriger

CALL TO ORDER

Mr. Pyle called the meeting to order at 9:33 a.m.

Introduction of Board Members, Staff and DAG

Mr. Pyle, Mr. Eichelberger, Ms. Edwards, Mr. Theoharis, Ms. Heeney, Mr. Stevenson, and Ms. Howard each gave a brief introduction. The Board acknowledged Tim Harriger seated in the public. Mr. Harriger has been appointed as a Board member, but cannot participate in Board business until he has taken his oath of office.

Mr. Theoharis questioned, and Ms. Heeney confirmed, that a Deputy Attorney General and an Administrator are present at all Board meetings.

NEW BUSINESS

ELECTION OF OFFICERS

Chairperson

Ms. Edwards made a motion, seconded by Mr. Theoharis, to nominate Mr. Pyle as the Board's Chair. There being no further nominations, the Board voted and unanimously elected Mr. Pyle as the Board's Chair.

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Vice Chairperson

Mr. Pyle made a motion, seconded by Ms. Edwards, to nominate Mr. Theoharis as the Board's Vice Chair. There being no further nominations, the Board voted and unanimously elected Mr. Theoharis as the Board's Vice Chair.

NEW LICENSING LAW

Ms. Heeney gave a brief summary of the purpose of the Board of Home Inspectors. The Board reviewed and discussed 24 Delaware Code Chapter 41, HOME INSPECTORS [Effective Aug. 6, 2013], item by item.

The Board took at break at 10:24 a.m. and reconvened at 10:35 a.m.

During review of Section 4101, Ms. Heeney advised that the purpose of the Board of Home Inspectors is to protect the public, not licensees.

Regarding Section 4102, Mr. Theoharis questioned the definition of personal supervision, and Ms. Heeney agreed that the definition may need to be clarified by rule and regulation. Mr. Pyle and Mr. Eichelberger noted that the definition of home inspection should not include detached garages or structures. Mr. Pyle stated that the standardized Real Estate Sales Agreement for New Castle County does not include detached garages or structures. Mr. Theoharis referred the Board to Section 197-4.2 of the New York statute regarding Written Contracts. Mr. Pyle stated that the definition of personal supervision should be clarified by rule and regulation to specify that active oversight means that the supervisor and trainee work on the same property at the same time. Regarding the definition of substantially related crimes, Mr. Pyle and Ms. Heeney agreed that the list could potentially include financial crimes, burglary or any violent crimes.

During review of Section 4103(b), Ms. Heeney recommended that the Board define the reasonable amount of time that it will allow professional Board members to obtain licensure. Mr. Eichelberger added that the Board should also consider specifying an experience requirement for Board members. However, Ms. Heeney advised that Board member requirements are generally outlined in the statute by the legislature, and are not further defined by rule and regulation.

Referencing Section 4103(h), Ms. Howard will email a copy of the Code of Conduct to each Board member for reference.

Regarding Section 4104(c), Ms. Heeney noted that the Board cannot impose discipline without three affirmative votes. Mr. Theoharis questioned, and Ms. Heeney responded, that all of the Board's meetings will be held in public and must be noticed to the public at least seven days in advance. Ms. Howard stated that draft agendas are posted at least seven days prior to a meeting and emailed to all Board members. She added that the final agenda is posted and emailed to the Board one day before the meeting. Mr. Theoharis asked if personnel issues were handled privately or during public meetings. Ms. Heeney explained that the Board may use Executive Session on a limited basis, such as if the Board is sued or for limited personnel issues. However, in general all discussions are held in public.

Ms. Howard will email a copy of 29 Del.C. Chapter 101 (Administrative Procedures Act) and 29 Del.C. § 8735, as referenced in the Board's statute under Section 4106. Ms. Heeney stated that the Division of Professional Regulation is responsible for developing applications and forms. Ms. Heeney added that the Division is generally not in the business of developing exams, and advised the Board that they will need to specify the exam(s) that they will require for licensure.

Referencing Section 4108(a)(1), Ms. Heeney stated that the Board may consider whether it will accept a GED or a homeschool certificate in lieu of a high school diploma.

Section 4108(d) cites the "grandfather provision". The Board acknowledged Tim Harriger seated in the public, who questioned whether the Board could require affiliation with a national home inspectors organization. Ms. Heeney responded that licensing boards don't generally require association membership as a prerequisite for licensure. After discussion, the Board agreed that it could request that applicants applying for licensure under the grandfather provision supply a log of home inspections, which the Board could use to randomly select inspections requiring more detailed information. The Board also agreed that tax documents may be acceptable as proof of employment or self employment. Mr. Eichelberger questioned whether a home inspector would be able to practice after 11/4/13, if the Board had not yet approved and issued a license to said inspector. Ms. Heeney will research the answer to Mr. Eichelberger's question and report back to the Board at its next meeting. Ms. Heeney questioned whether it was widespread knowledge that home inspectors would need to be licensed in Delaware in 2013. Mr. Eichelberger responded, "most don't know"; Mr. Pyle responded, "some know". Mr. Theoharis recommended that the Board issue a press release. Ms. Heeney explained that it would be up to the Division of Professional Regulation to decide if a press release should be issued. Mr. Pyle stated that only about 25% of home inspectors are members of a state association and 90% of home inspectors are members of a national association. Ms. Heeney stated that she will notify the Delaware Real Estate Commission of the new licensure law for home inspectors. Mr. Pyle recommended that a Home Inspector License number be made a mandatory part of the Home Inspection Report in Delaware, as he believes that will cause real estate professionals to police which inspectors are and are not licensed. Mr. Pyle stated that there are three national associations for Home Inspectors: 1) The American Society of Home Inspectors (ASHI), 2) The National Association of Home Inspectors (NAHI), and 3) The International Association of Certified Home Inspectors (InterNACHI). As a past officer of ASHI, Mr. Pyle stated that he may be able to obtain a mailing list of ASHI's Delaware members. Mr. Pyle recommended that the Board obtain mailing lists from all three associations, and added that licensed home inspectors in New Jersey, Pennsylvania, and Maryland need to be made aware of the new law in Delaware.

Ms. Heeney stated that Section 4109 seems to be modeled on the license law of the Delaware Commission on Real Estate Appraisers. Mr. Eichelberger stated that ASHI has a good model for home inspectors, noting that 250 completed inspections are required for membership. After discussion, Ms. Heeney stated that she will discuss apprenticeship insurance with DAG Allison Reardon, and report back to the Board at its next meeting. The Board agreed on the following regarding apprenticeships:

- Licensed home inspectors should not supervise more than two trainees per inspection.
- Candidates for licensure should complete their education, then their apprenticeship. The Exam could be completed at any time.
- Trainees should be required to complete at least 250 inspections.
- Continuing education that is preapproved by any of the three national home inspector associations (listed above) will be automatically accepted for credit by the Board. All other continuing education needs the Board's review for approval.
- The Board may consider offering CE credit to licensed home inspectors who supervise trainees. There should be a limit to the amount of CE a licensee may earn for trainee supervision.

The Board adjourned for lunch at 12:07 p.m., and reconvened at 1:07 p.m.

The Board continued its review of the Statute, and made additional recommendations for the initial draft of rules and regulations:

- The Board will allow a 6-month late renewal period before requiring a licensee to reapply as a new applicant.
- A license may be placed on inactive status for a maximum of three years.
- After three years of inactive licensure, a licensee must reapply as a new applicant and fulfill one of the following requirements: retake the national exam, show proof of additional education, or complete additional supervised training under an actively licensed Delaware Home Inspector.

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REVIEW STATUTES AND RULES FROM OTHER JURISDICTIONS AND/OR PROFESSIONS DRAFT RULES & REGULATIONS

Mr. Pyle questioned whether a licensee should be able to pay a referral (preferred vendor) fee for home inspections. Ms. Heeney advised that the Board's statute does not specifically state the Board's authority to regulate referral fees, but it may be incorporated into a code of ethics or conduct. Mr. Eichelberger stated that some real estate offices charge an advertising fee to home inspectors and other professionals in exchange for placing brochures and/or business cards in their offices.

Ms. Heeney provided a preliminary draft of rules and regulations, which the Board used as a guide during its discussion. Ms. Heeney also provided copies of the Rules and Regulations of New Jersey, the Illinois Home Inspector License Act, Maryland Standards of Practice, New York Code of Ethics and Regulations for Home Inspectors, and the trainee portion of the Rules and Regulations of the Delaware Council of Real Estate Appraisers. Ms. Heeney asked that all Board members review the documents before the next meeting in order to make additional decisions regarding its draft of rules and regulations. Mr. Theoharis stated that he previously reviewed the rules and regulations of other jurisdictions provided by Ms. Heeney, and he prefers the format used by New York. Ms. Howard will use the data printed from the ASHI website to draft a spreadsheet of the licensure requirements of the 30 states that license Home Inspectors.

OTHER BUSINESS BEFORE THE BOARD (for discussion only)

PUBLIC COMMENT - None

NEXT MEETING

The next Board meeting will be at 9:30 a.m. on Wednesday, September 12, 2012 in Conference Room B located on the second floor of the Cannon Building at 861 Silver Lake Boulevard, Dover, Delaware.

ADJOURNMENT

There being no further business to discuss, the Board adjourned the meeting around 3:20 p.m. There was no motion for adjournment.

Respectfully Submitted,

Michele Howard

Administrative Specialist II

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Board members and the public in supplementing their personal notes and recall for presentations.